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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
) Case No.
vs.) 20-civ-10832 (AT) (SN)
)
RIPPLE LABS, INC., BRADLEY)
GARLINGHOUSE, AND CHRISTIAN)
LARSEN,)
)
Defendants.)
_____)

CONFIDENTIAL
VIDEOTAPED DEPOSITION OF
MIGUEL VIAS
Monday, June 28, 2021

Reported by:
JEFFREY BENZ, RMR, CRR
STENOGRAPHIC REPORTER
JOB No. 210628JBE

VIDEOTAPED DEPOSITION of MIGUEL VIAS, taken by
Plaintiff, at the offices of Debevoise & Plimpton, 919
Third Avenue, New York, New York, on June 28, 2021,
commencing at 9:04 a.m., before Jeffrey Benz, a
Certified Realtime Reporter, Registered Merit Reporter
and Notary Public within and for the State of New York.

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1 THE VIDEOGRAPHER: We are on record, and
2 the time is approximately 9:04 a.m. in the Eastern
3 time zone. Today's date is June 28, 2021. This is
4 the video deposition of Miguel Vias in a matter of
5 Securities and Exchange Commission versus Ripple
6 Labs, Inc., et al., Number 10832, in the
7 U.S. District Court for the Southern District of New
8 York.

9 My name is Matt Tursi, legal videographer
10 with Gradillas Court Reporting. Today we are at the
11 office of Debevoise & Plimpton, located at 919 Third
12 Avenue, New York, New York 10022.

13 Will counsel please identify yourself and
14 state whom you represent.

15 THE COURT REPORTER: Do we really want to
16 do that?

17 THE VIDEOGRAPHER: Everyone's okay with not
18 doing that? So we will skip that for today.

19 The court reporter is Jeff Benz with
20 Gradillas Court Reporting. Will you please swear in
21 the witness?

22 MIGUEL VIAS,

23 called as a witness, having been first

24 duly sworn by Jeffrey Benz, a Notary

25 Public within and for the State of New

York, was examined and testified as

follows:

EXAMINATION BY MS. WAXMAN:

Q. Please state and spell your name for the record.

A. Miguel Vias, M-I-G-U-E-L V-I-A-S.

Q. Good morning, Mr. Vias. My name is Daphna Waxman, and I represent the SEC, which is the plaintiff in this lawsuit. You provided testimony to the SEC in the investigation that preceded this lawsuit?

A. Yes.

Q. Have you been deposed or have you provided testimony in a legal proceeding since then?

A. No.

Q. How many preparations sessions did you have for today's deposition?

A. Three or four.

Q. If you had to estimate how much time you spent preparing for today's deposition, how many hours would be in total?

A. Somewhere between 10 and 50.

Q. And who was present at those meetings, those prep sessions?

A. At some, it was Sean and Justin, my

1 counsel. And at some, Debevoise joined as well.

2 Q. Did counsel for any of the individual
3 defendants attend?

4 A. No.

5 Q. Do you understand that one of the issues in
6 this lawsuit is whether XRP is a security and subject
7 to SEC jurisdiction?

8 A. Yes.

9 Q. Are you aware of anyone affiliated with the
10 SEC communicating to Ripple that XRP is not a
11 security?

12 MS. COWAN: I'm sorry, before we get into
13 substance, can I put two things on the record?

14 MS. WAXMAN: Yes. Thank you.

15 MS. COWAN: First, we are designating the
16 transcript of the deposition and the video of the
17 deposition as confidential under the protective
18 order. And second, per stipulation, an objection by
19 any lawyer will signify an objection that is
20 preserved for all, with respect to all the
21 defendants.

22 MS. WAXMAN: Sure.

23 Can the court reporter please repeat the
24 question.

25 (The record was read back.)

1 A. No.

2 Q. Are you aware of anyone affiliated with the
3 SEC communicating to Ripple that Ripple sales of XRP
4 are not securities transactions?

5 A. No.

6 Q. Throughout your tenure at Ripple, you were
7 aware that there was a risk that Ripple's sales of
8 XRP could be deemed sales of securities.

9 MR. HORTON: Objection to form.

10 A. Throughout, no. I wouldn't say from the
11 very beginning.

12 Q. At some point, you were aware that Ripple's
13 sales of XRP could be deemed sales of securities?

14 A. Yes.

15 Q. At what point?

16 A. It's hard to say definitively, but --
17 probably sometime in early 2018.

18 Q. Okay. And what prompted that?

19 A. There was -- or rumors of a Coinbase
20 listing, in late 2017 or early 2018. And then if I
21 remember correctly, Coinbase came out and said they
22 weren't going to list XRP. And then there was a ton
23 of chatter online as to that being because XRP wasn't
24 a security. It was the first time that really came
25 to light for me.

1 Q. Were others aware that there was a -- were
2 others at Ripple aware that there was a risk of
3 Ripple sales of XRP could be deemed sales of
4 securities?

5 MR. HORTON: Objection to form.

6 A. I assume so.

7 Q. You did have conversations with others
8 about the potential risk of Ripple sales of XRP could
9 be deemed sales of securities?

10 MS. COWAN: I'm going to instruct the
11 witness to just answer yes or no at this point.

12 A. Okay.

13 Q. Well, did you have any conversation with
14 non-attorneys about the risk that Ripple sales of XRP
15 could be deemed sales of securities?

16 A. Yes.

17 Q. And when did you have those conversations?

18 A. Oh, I won't remember.

19 Q. In 2017, did you have those conversations?

20 A. Unlikely.

21 Q. In 2018, did you have those conversations?

22 A. More likely, yeah.

23 Q. Did those conversations occur in the
24 context of the Coinbase application, to list XRP?

25 A. I don't remember.

1 Q. You've worked in finance for over 15 years?

2 A. Yes.

3 Q. Those conversations that you had with
4 people at Ripple, about the risk of Ripple sales of
5 XRP could be deemed sales of securities, who were
6 those conversations with?

7 A. I won't remember specifics.

8 Q. Did you have a conversation with Chris
9 Larsen about the potential risk that Ripple sales of
10 XRP could be deemed sales of securitization?

11 A. I don't remember.

12 Q. Did you have a conversation with
13 Mr. Garlinghouse about the risk that Ripple sales of
14 XRP could be sales of securities?

15 A. Not that I remember, no.

16 Q. Who did you speak with at Ripple about the
17 risk that Ripple sales of XRP could be deemed sales
18 of securities?

19 A. The folks that I remember most clearly
20 discussing this with would have [REDACTED], who is
21 a lawyer for the company.

22 Q. Okay. I don't want to -- don't tell me any
23 conversations that you had with lawyers, but that's
24 fine if you tell me the names of lawyers, but I don't
25 want to --

1 A. Okay.

2 Q. -- don't tell me the substance of those
3 conversations.

4 A. Okay. [REDACTED]

5 I'm trying to remember if there's anybody
6 on the markets team.

7 I don't remember any particular
8 conversations with other -- with other people.

9 Q. Those three individuals that you just
10 named, [REDACTED] are they
11 Ripple's lawyers?

12 A. Two of them are; one of them was.

13 Q. And did you have conversations with these
14 individuals in 2018?

15 A. Yes.

16 Q. You've worked as a professional trader for
17 over 15 years?

18 A. No.

19 Q. Do you have any experience trading?

20 A. I do.

21 Q. What is your experience?

22 A. I was a trader -- I started my career as
23 a -- precious metals trader, in 2000. And I did that
24 on and off until about 2012. It's about 12 years.

25 Q. Did you run a training desk as a precious

1 metals trader?

2 A. I never ran the desk.

3 Q. Are you familiar with a trading desk?

4 A. Yes.

5 Q. Okay. And for those people who are not
6 familiar with the term, what is a "trading desk"?

7 A. So a trading desk is where either banks,
8 or -- hedge funds, traders, will trade. It's where
9 the -- the traders sit, and -- I'm sorry, could you
10 rephrase that question, Daphna? I mean, I'm
11 struggling.

12 Q. Sure. If someone is not familiar with the
13 term trader -- "trading desk," how would you explain
14 the function of a trading desk?

15 A. The function. Sorry. I'm --

16 So the job entails you're making markets
17 for customers; in precious metals, in this case. Or
18 proprietarily trading a capital of the company,
19 whether it's a bank or hedge fund, in order to make
20 money.

21 Q. So trading for customers, what sorts of
22 customers could it be?

23 A. My customers tended to be hedge funds or
24 precious metals multipliers.

25 Q. And if you trade on a proprietary basis,

1 who are you trading for?

2 A. The entity, the company.

3 Q. Where do you currently work?

4 MS. PROSTKO: Excuse me. Sorry to
5 interrupt, but we're having some problem with the
6 Zoom audio. Is there any way you can adjust the
7 mikes, or volume?

8 MS. FORBES: The audio is cutting in and
9 out, so we're not able to hear the witness or Daphna.
10 We're only getting about 50 percent.

11 (Discussion off the record.)

12 MS. WAXMAN: Let's start over.

13 Q. Where could you currently work?

14 A. I recently started at a company called

15 [REDACTED]

16 Q. And when did you begin with your employment
17 with [REDACTED]

18 A. I signed the contract last week.

19 Q. And what is [REDACTED]

20 A. [REDACTED] is a technology company that provides
21 a platform for video game developers to integrate
22 watchings into the video games.

23 THE COURT REPORTER: I'm sorry, to
24 integrate what?

25 THE WITNESS: Watchings.

1 Q. And what is your title with [REDACTED]?

2 A. VP of growth.

3 Q. And what are your responsibilities?

4 A. It's not 100 percent clear yet.

5 Q. Does [REDACTED] have a relationship to Ripple?

6 MR. HORTON: Objection to form.

7 A. Yes.

8 Q. What is the relationship?

9 A. As I understand it, Ripple had a
10 partnership with [REDACTED] which became in 2018. I
11 don't know the specifics around -- exactly what the
12 partnership entails, but I know that there is some
13 sort of a partnership.

14 Q. Did Ripple provide [REDACTED] with XRP in
15 connection with the partnership?

16 A. I believe so.

17 Q. And did XR -- did [REDACTED] use that XRP to
18 fund its operations?

19 MR. HORTON: Objection to form.

20 A. I don't know.

21 Q. What did [REDACTED] do with the XRP?

22 MR. HORTON: Objection to form.

23 A. I'm not 100 percent clear on what they did
24 with XRP.

25 Q. How does [REDACTED] fund its operations today?

1 A. As I understand it, the company is
2 venture-backed.

3 Q. Where did you work before signing on with
4 [REDACTED]

5 A. Immediately before [REDACTED] I wasn't working
6 anywhere.

7 Q. What was your employment before [REDACTED]
8 Where did you work?

9 A. I worked with a company called [REDACTED]

10 Q. And when did you start there?

11 A. August of 2020.

12 Q. What is that company?

13 A. [REDACTED] is a platform for secondary shares,
14 trading.

15 Q. And what was your title?

16 A. CO.

17 Q. And what were your responsibilities?

18 A. Primarily, I was there to -- to -- you
19 know, inject operational structure into the company,
20 figure out reporting lines, goal setting, just kind
21 of part of the operational edifice, if you will, of
22 the company.

23 Q. Did your responsibilities involve trading
24 or selling digital assets?

25 A. No.

1 Q. Did -- did the company have any
2 relationship to Ripple?

3 MR. HORTON: Objection to form.

4 A. No.

5 MS. WAXMAN: Can everyone hear me on the
6 Zoom?

7 THE VIDEOGRAPHER: It's still cutting in
8 and out, from what I am hearing. Mostly it's a
9 little better, but is this the Zoom computer over
10 here?

11 MR. HORTON: Off the record, please.

12 THE VIDEOGRAPHER: Yeah. Going off the
13 record at 9:18 a.m. Eastern.

14 (Discussion off the record.)

15 THE VIDEOGRAPHER: We are back on the
16 record at 9:26 a.m.

17 Q. Mr. Vias, I just want to clarify something
18 that you said earlier about Coinbase.

19 So following rumors of a Coinbase listing,
20 Coinbase said they weren't going to list XRP because
21 it was a security?

22 MR. HORTON: Objection to form.

23 A. No.

24 If I remember correctly, I think it was in
25 January of 2018, in order to quell the rumors that

1 were going around online Coinbase said they were not
2 listing XRP. And then there was a ton of chatter
3 online and assumptions, suppositions, however, that
4 it was because XRP might be a security.

5 Q. Did Coinbase not list XRP because they were
6 concerned that it was a security?

7 MR. HORTON: Objection to form.

8 A. Coinbase ended up listing XRP.

9 Q. And at the time that these rumors were
10 circulated, was there concern by Coinbase that XRP
11 could be deemed a security?

12 MR. HORTON: Objection to form.

13 A. I don't know.

14 Q. You joined Ripple in November 2016?

15 A. Yes.

16 Q. When you were hired, did anyone tell you
17 what you will be tasked to do, in relation to XRP?

18 MS. COWAN: Objection.

19 A. So when I joined, the role -- the way it
20 was explained to me at the time, was in charge of
21 building out the liquidity ecosystem for XRP.

22 Q. What does that mean, to build out the
23 liquidity ecosystem?

24 A. So at the time -- at the time that broadly
25 meant make XRP more liquid, however we could. And it

1 wasn't 100 percent clear when I joined sort of how we
2 were going to do that, but that was the task.

3 Q. Was the task to increase demand for XRP?

4 A. No.

5 Q. Was the task to maximize Ripple's proceeds
6 from its XRP sales?

7 A. No.

8 Q. Was the task to increase the number of
9 market participants that trade in XRP?

10 A. I wouldn't say that was an -- a -- like a
11 line item in the job description. But as a
12 consequence of growing liquidity, I think the
13 assumption is you have to increase the number of
14 people who are participating in the market in order
15 to grow the liquidity.

16 Q. Why didn't Ripple want you to maximize
17 procedures from XRP sales?

18 MR. HORTON: Objection to form.

19 A. It wasn't part of the job description.
20 That wasn't my role when I started.

21 MS. WAXMAN: Exhibit 1.

22 MR. TENREIRO: Nicole, you can hear us?
23 We're doing Exhibit 1.

24 (Email chain re: Touching Base, Bates Stamp

25 Number 0353551 was marked MV Exhibit 1 for

1 identification, as of this date.)

2 MS. FORBES: Exhibit 1, correct?

3 MR. TENREIRO: Do you have Josh's email,
4 Nicole?

5 MS. FORBES: No.

6 (Discussion off the record.)

7 MR. TENREIRO: Okay. She has it.

8 Q. Mr. Vias, I'm showing you what has been
9 previously marked as Exhibit 1, which has the Bates
10 Stamp Number 0353551. Please take a moment to take a
11 look at it, let me know when you're done.

12 (Witness reviewing document.)

13 A. Okay.

14 Q. I know you're not on this email, but the
15 email -- what does the email talk about?

16 MR. HORTON: Objection to -- to form. Do
17 you want to direct him to a particular part of it?

18 MS. WAXMAN: Sure.

19 Q. At the bottom of the email -- the email is
20 from Patrick Griffin to Chris Larsen.

21 Who is Patrick Griffin?

22 A. Patrick Griffin -- at the time, I think he
23 was VP of business development. I think that was his
24 title.

25 Q. And who was Chris Larsen?

1 A. The executive chairman at Ripple.

2 Q. And before you accepted your offer at
3 Ripple, did you talk with Patrick about the role?

4 A. I did.

5 Q. And at the bottom of Exhibit 1, he lists
6 certain priorities for your role. Did he communicate
7 any of these things to you?

8 A. I don't remember.

9 Q. Did he tell you part of the role was to
10 maximize proceeds from XRP?

11 A. I don't remember.

12 Q. Did he tell you part of the role was to
13 manage market maker relationships?

14 A. I -- I don't remember.

15 Q. Did he tell you part of the role was to
16 make XRP liquid and build trading interest in XRP?

17 A. That is what I remember being the crux of
18 the role.

19 Q. And at the time that you had that -- at the
20 time that you started with Ripple, was the XRP market
21 liquid?

22 MS. COWAN: Objection.

23 A. At the time, if I remember correctly, XRP
24 was trading about \$2 million a day, maybe on four
25 exchanges, maybe five.

1 So there was some liquidity.

2 Q. But it was very small?

3 MR. HORTON: Objection to form.

4 A. In comparison to traditional markets, yes.

5 Q. Where could you buy, sell, or trade XRP at
6 the time?

7 MR. HORTON: Objection to form.

8 A. I don't remember the exchanges.

9 Q. Could you trade XRP off ledger?

10 A. Yes.

11 Q. And on how many exchanges?

12 A. I think it was -- somewhere between four
13 and six.

14 Q. And could you trade XRP on the ledger?

15 A. Yes.

16 Q. Was that the primary way people traded XRP?

17 MR. HORTON: Objection to form.

18 A. I think the volume at the time was 50/50,
19 on protocol/off protocol.

20 Q. And when you say "on protocol," you're
21 talking about trading on the ledger?

22 A. On the ledger.

23 Q. And "off protocol," you're talking about
24 trading on digital asset trading platforms?

25 A. Correct.

1 Q. Were those platforms in the United States?

2 MR. HORTON: Objection to form.

3 A. I think most weren't.

4 Q. At the time?

5 A. At the time, yes.

6 Q. And we're talking about when you first

7 started at --

8 A. November '16.

9 Q. What was XRP's price when you first
10 started?

11 A. I believe it was 6/10 of a penny.

12 Q. What were the spreads like?

13 MR. HORTON: Objection to form.

14 A. I don't remember.

15 Q. Wide?

16 MR. HORTON: Objection.

17 A. I don't remember.

18 Q. Were there market makers making markets in
19 XRP at the time?

20 A. Yes.

21 Q. Did Ripple pay those market makers to make
22 a market in XRP?

23 MR. HORTON: Objection to form.

24 A. So I don't -- so -- we -- Ripple, when I
25 joined, was paying market makers mostly for liquidity

1 on the protocol. But I -- I don't know if there were
2 other market makers that were also providing
3 liquidity that had nothing to do with Ripple.

4 Q. To your knowledge, you didn't know of any
5 other market makers that were making markets in XRP,
6 other than the ones Ripple was paying?

7 MR. HORTON: Objection. Form.

8 A. I don't remember, no. I don't think so.

9 Q. People who were buying and selling XRP at
10 the time, they were mostly speculators?

11 MR. HORTON: Objection to form.

12 A. I don't know.

13 Q. Did Ripple sell any product that used XRP
14 when you joined in November 2016?

15 A. No.

16 Q. You said that Ripple paid market makers to
17 make markets on the XRP ledger at the time you
18 joined.

19 What was the role of those market makers?

20 A. As I understand it, it was -- we are
21 talking about things that predated my joining. But
22 the way I understand it is they were being paid to
23 provide liquidity on the protocol. So bid and
24 offers, bids and offers on the protocols so people
25 could trade.

1 Q. Did those relationships continue once you
2 joined Ripple?

3 A. The relationship with market makers
4 continued, yes.

5 Q. And the purpose of those relationships was
6 to create liquidity on the ledger for XRP?

7 A. It changed. So we -- the -- the on-ledger
8 protocol liquidity didn't seem to be doing much for
9 overall liquidity. So when I joined, we made the
10 decision to stop the on -- the on-ledger liquidity
11 programs.

12 Q. Okay. And how long were you with Ripple
13 when you made that decision?

14 A. It was within the first six months.

15 Q. So just focusing on the -- the contracts
16 with market makers to make markets on ledger, you
17 wanted more liquidity for speculating -- speculative
18 trading on the ledger, right?

19 MR. HORTON: Objection to form.

20 A. I did not.

21 Q. Did -- Ripple wanted more speculative
22 trading on the ledger?

23 MR. HORTON: Objection to form.

24 A. I -- hard for me to speak for Ripple,
25 but --

1 Q. You were head of the XRP markets, right?

2 A. I was.

3 Q. Okay.

4 Ripple -- did Ripple want more speculative
5 trading of XRP on the XRP ledger?

6 MR. HORTON: Objection to form.

7 A. Can I give a little context?

8 Q. Sure.

9 A. So in March of 2017, I sit down with
10 product, and we decide that the best way to build a
11 remittance product is using the exchanges.

12 What had happened on the protocol before
13 was a version of what ended up being xRapid. So the
14 same \$5 -- you know, buy XRP using dollars, send it
15 to a Mexican exchange, sell it there for pesos, and
16 then deliver out, which ended up being xRapid ODL.
17 That was what had been tried on the protocol.

18 And the way I understand it, when I joined,
19 there were still some kind of product ideas that
20 would go back to that. And -- that's why we wanted
21 the protocol to remain active, because the idea was
22 eventually we would build products for it directly.

23 I didn't think that was making a lot of
24 sense. There was liquidity on the digital currency
25 exchanges. What we needed for the remittance product

1 was liquidity. Continuing to focus on the protocol
2 made -- just didn't seem to make a lot of sense.

3 Q. Was speculative XRP trading volume a
4 prerequisite for using XRP for cross-border payments?

5 MR. HORTON: Objection to form.

6 A. No. It is not a prerequisite.

7 Q. What is -- okay. Was it needed in order
8 for XRP to be adopted for cross-border payments?

9 MR. HORTON: Objection to form.

10 A. So what was needed for XRP to be adopted
11 for cross-border payments is very liquid markets.
12 Speculation is a part of every liquid market that I
13 know of. So are market makers, and so are -- so is
14 commercial flow.

15 So if you -- if you look at -- as an
16 example, if you look at the gold market versus the FX
17 market, the gold market has the same speculators that
18 live in FX, it has the same market makers that live
19 in FX, but it doesn't have any commercial flow. So
20 nobody's buying and selling gold to hedge out the
21 existing risks. So that -- that commercial flow is
22 what ends up getting you the biggest markets in the
23 world. You can have big markets without that.

24 In the case of XRP, it's the same thing.
25 Like the idea is, okay, we need to bring in these

1 buckets of liquidity. The last one being that
2 commercial flow that is enabled by xRapid. So you
3 need to bring in speculative trading, certainly.
4 That usually is the first piece that comes in. Then
5 market makers follow because they see an opportunity
6 to make money. And then you bring in the commercial
7 flow. It's not -- it's more art than science, but
8 that's roughly the sequencing.

9 Q. So speculative trading was something that
10 Ripple focused on, early on, in the company's
11 history?

12 MS. COWAN: Objection.

13 A. So, again, I -- I started in November of
14 '16. What I understand in terms of the -- the
15 liquidity programs, was really around market makers,
16 and making sure that the protocol was viable for
17 trading on, in order to be traded on. If there's no
18 liquidity on the protocol, nobody's going to bother.

19 So it's hard for me to speak to about --
20 you know, to the point of, like, what the company was
21 doing early, early on with respect to speculation.
22 What I saw was really more an attempt to bring in the
23 market makers first in order to then point to
24 something that was alive, if you will.

25 Q. And what was the purpose of bringing in the

1 market makers?

2 MS. COWAN: Objection.

3 A. So, again, I think to just kind of think of
4 that sequencing, and maybe the -- maybe the
5 sequencing wasn't perfect, but you bring in -- you
6 bring in the market makers. That does hopefully pull
7 in some speculative trading because there's markets
8 now to speculate on. And then you pull down the
9 commercial flow at the end.

10 Q. When you say "commercial flow," what do you
11 mean?

12 A. So that would be, that would be -- a
13 typical xRapid flow is an example. So I -- at
14 maturity, if xRapid is at scale being used by -- by
15 commerce, by companies, what you should have is a ton
16 of bidirectional flow through books. In the case of
17 the protocol, the company got -- you know, maybe we
18 could do it on the protocol, but it ended we went
19 off -- off ledger.

20 Q. Did this bidirectional flow ever come into
21 existence?

22 MS. COWAN: Objection.

23 A. Not while I was at the company.

24 Q. And when did xRapid gain -- start being
25 used by entities?

1 MR. HORTON: Objection to form.

2 A. If I remember correctly, we started to move
3 pilots in early 2018.

4 Q. Was there any significant volume in xRapid
5 prior to Ripple's agreement with MoneyGram?

6 MR. HORTON: Objection.

7 A. I don't remember.

8 Q. So prior to 2018, all of the trading that
9 Ripple supported was in connection with building
10 liquidity and speculative trading?

11 MR. HORTON: Objection to form.

12 A. So it was building liquidity. So bringing
13 in those two -- those first two pillars of liquid
14 markets, the market makers and then -- and then
15 speculative.

16 Q. And speculative trading is a part of
17 liquidity, getting -- creating liquidity, correct?

18 A. Speculative trading is, I think, a part of
19 any healthy market.

20 MS. WAXMAN: Exhibit 31, please.

21 MR. TENREIRO: 31, Nicole.

22 (Email re: Q1 2017 XRP Markets Report,
23 Bates Number 0199787, was marked MV Exhibit 31
24 for identification, as of this date.)

25 Q. Mr. Vias, I'm showing you what's been

1 marked as Exhibit 31, which has the Bates
2 Number 0199787.

3 Did Ripple begin to publish XRP markets
4 report -- oh, tell me when you're finished.

5 A. No, no, I -- just --

6 (Witness reviewing document.)

7 A. Okay.

8 Q. Did Ripple begin to publish XRP market
9 reports in early 2017?

10 A. Yes.

11 Q. Did you author those reports?

12 A. I was one of the authors, yes.

13 Q. Are -- is Exhibit 31 comments on a draft
14 report?

15 A. I think so, yes.

16 Q. In the middle of the page, it says, Miguel
17 Vias. Are these your comments to draft language in
18 the XRP market reports?

19 A. Yes.

20 Q. You write, "Liquidity means being able to
21 put on a position as well as being able to get out.
22 You can't speculate without either."

23 A. Uh-huh.

24 Q. So liquidity is needed for speculative
25 trading in XRP?

1 MS. COWAN: Objection.

2 A. In everything. You can't speculate in
3 something if it's not liquid.

4 Q. Who did you report to in 2016?

5 A. Patrick Griffin.

6 Q. And did that change over time?

7 A. It did.

8 Q. And when did that change?

9 A. Late '17. Either November or December. I
10 can't remember exactly.

11 Q. Who did you report to then?

12 A. Ron Will.

13 Q. Who did you report to after Ron Will?

14 A. [REDACTED]

15 Q. Who did you report to after that?

16 A. [REDACTED]

17 Q. Did you report to anyone else while you
18 were at Ripple?

19 A. I don't think so.

20 Q. Did anyone report to you?

21 A. Yes.

22 Q. Who reported to you?

23 A. Throughout my whole -- time?

24 Q. Sure. Why don't you tell me when you first
25 started in 2016, in November 2016. Did anyone report

1 to you?

2 A. When I first started, [REDACTED] reported
3 to me.

4 Q. Did anyone else report to you?

5 A. Not that I remember, no.

6 Q. Later on, in 2017, did anyone report to
7 you?

8 A. In 2017, Dinuka Samarasinghe reported to
9 me.

10 Q. Anyone else?

11 A. I can't remember if it was in 2017, but
12 shortly thereafter [REDACTED] joined the team
13 and she reported to me as well.

14 Q. And did anyone else report to you?

15 A. Yes. I'm going to forget exactly when
16 these folks joined so I'm going to say the names as I
17 remember them.

18 [REDACTED]

19 [REDACTED]

20 I'm blanking on [REDACTED] last name, in
21 Singapore.

22 Bad form for a boss.

23 MS. COWAN: I'm sorry, I can't hear you.

24 A. I said I'm blanking on [REDACTED] last name,
25 in Singapore, which is bad form for a boss.

1 Q. It's been a while.

2 A. It has, and he doesn't keep in touch.

3 Q. He deserves it.

4 Anyone else?

5 A. I think those were my direct -- there are
6 other people on the team, but I think those are the
7 people that directed -- that reported directly to me.

8 Q. Okay. And what was [REDACTED] role?

9 A. [REDACTED] -- her primary role was market
10 maker relationships and bringing in new ones. She
11 also -- she had -- she was -- soft relationship
12 manager with the exchanges. And -- like -- you know,
13 almost eyes and ears in terms of what was happening
14 out in the marketplace.

15 I would say she was the conduit to much of
16 what was happening in the liquidity ecosystem, from a
17 relationship perspective.

18 Q. Did she communicate with buyers of XRP,
19 people who bought XRP from Ripple?

20 A. I -- I believe so, a few times, yes.

21 Q. Was that part of her role?

22 A. I don't remember if it was explicit.

23 Q. What was [REDACTED] role?

24 A. [REDACTED] was responsible for payment processor
25 relationships and partnerships.

1 Q. What was [REDACTED] role?

2 A. Similar.

3 Q. What about [REDACTED] role?

4 A. [REDACTED] was -- he was -- for lack of a better
5 word, he was our quantitative resource on the desk.

6 Q. Can you please explain what his job
7 responsibilities were.

8 A. So [REDACTED] was the bridge between our team and
9 data. So much of what the markets team did required
10 a good understanding of markets, what was happening,
11 that -- that required data. And we were having
12 trouble getting the data out of data team. We hired
13 [REDACTED] to do some of that, supplement some of the data
14 team's responsibilities. So he would ingest data and
15 then analyze it for us, and put it in a kind of human
16 digestible form.

17 Q. Did you collect data related to XRP?

18 A. Yes.

19 Q. Daily?

20 A. I think so.

21 Q. What specific data did you collect on a
22 daily basis?

23 A. The -- the volume, I think -- we were
24 aiming toward tracking spreads, particularly in
25 xRapid corridors.

1 Q. Prior to -- in 2016, and 2017 --

2 MR. HORTON: Can you let him finish his
3 answers before you ask the next question?

4 Q. Sorry.

5 A. That's okay. I'm sure it's a great
6 question.

7 Q. You never know.

8 A. Yeah, I mean [REDACTED] joined -- I want to say
9 [REDACTED] joined in late '17 -- or early '18, actually.

10 We were already in the new office. So when [REDACTED]
11 joined, a lot of it was around market intelligence.
12 Primarily for xRapid.

13 Q. Prior to [REDACTED] joining, did the XRP markets
14 team monitor the XRP trading market?

15 MR. HORTON: Objection to form.

16 A. We tried.

17 Q. What do you mean "we tried"?

18 A. I don't think we were doing a very good
19 job. That's why we hired [REDACTED].

20 Q. But you monitored it?

21 A. As best we could.

22 Q. Did the XRP markets team provide daily
23 commentary to leadership regarding the XRP markets?

24 MR. HORTON: Objection to form.

25 A. I think for a while. Yeah. And mostly in

1 2017, if I remember correctly.

2 Q. Daily emails regarding changes in price and
3 volume?

4 A. I can't remember the cadence.

5 Q. Was it important for you in your job to
6 following the XRP trading market?

7 A. Yes.

8 Q. And did you follow it every day?

9 A. Yes.

10 Q. Did you follow it throughout the day?

11 A. Yes.

12 Q. And what were you looking for?

13 A. Looking at volume and price. Those were
14 the two inputs.

15 Q. And how would you use the information?

16 A. You know, on a day-to-day basis, it's
17 not -- it's not kind of strategic observations.
18 You're more looking for anomalies. Is anything odd
19 going on? Is there anything out the ordinary going
20 on?

21 Over time, you -- you try to -- I mean,
22 you're monitoring to see if the markets are getting
23 healthier, more liquid, more exchanges. You know,
24 certainly the -- you know, is XRP tracking the
25 market. That -- those are the -- the considerations,

1 things we were looking for.

2 Q. Were you responsible for Ripple sales of
3 XRP?

4 MS. COWAN: Objection.

5 A. So I was -- I wouldn't say I was
6 responsible for them. I was -- as part of the -- as
7 part of my responsibilities, I was in charge of
8 putting together the presentation, that we would
9 present every Friday, I think we spoke about last
10 time.

11 And making a recommendation, based on some
12 of the modeling that we were doing, as to how much we
13 should be selling.

14 Q. So you used the data that you collected to
15 make recommendations regarding Ripple's XRP sales?

16 MR. HORTON: Objection to form.

17 A. That data was an input, yeah.

18 Q. And did you use the data to adjust the
19 level of Ripple's XRP sales?

20 MR. HORTON: Objection to form.

21 A. Some -- some of the data, yeah.

22 Q. While you were at Ripple, Ripple sold XRP
23 to fund operations?

24 MR. HORTON: Objection to form.

25 A. Yes.

1 Q. Ripple sold XRP in order to create a
2 trading market for XRP?

3 MR. HORTON: Objection to form.

4 A. No.

5 Q. The sales of -- Ripple sales of XRP didn't
6 help facilitate a trading market for XRP?

7 MR. HORTON: Objection to form.

8 A. I have never thought of our sales in that
9 way, no.

10 Q. How did you think of the sales?

11 A. As a standalone activity.

12 Q. Other than using XRP sales to fund
13 operations, did Ripple's XRP sales serve any other
14 purpose?

15 A. Not that I know of, no.

16 Q. Ripple, either directly or indirectly, sold
17 XRP to retail and institutional investors?

18 MR. HORTON: Objection to form.

19 A. I assume so. I don't think we knew -- as I
20 said, it was indirect, so I'm not sure who was
21 buying.

22 Q. Ripple directly sold to institutional
23 investors?

24 A. Yes.

25 Q. And indirectly sold to retail investors on

1 platforms?

2 MR. HORTON: Objection to form.

3 A. I'm assuming there were retail investors on
4 the platform.

5 Q. Ripple sold the XRP at times at a discount
6 to market price?

7 MS. COWAN: Objection.

8 A. To the institutional -- when we sold
9 directly to the institutional folks.

10 Q. And these XRP purchasers were purchasing
11 XRP for investment purposes?

12 MR. HORTON: Objection to form.

13 Q. You can answer the question.

14 A. Thank you.

15 I -- you know, I -- investment speculation,
16 I -- it -- for me, it's -- yes.

17 Q. Did Ripple place any sales restrictions on
18 the XRP it sold?

19 MS. COWAN: Objection.

20 A. At times, yes.

21 Q. Okay. And these restrictions were put into
22 place in order to manage XRP in the market?

23 MR. HORTON: Objection to form.

24 A. I'm sorry, repeat that.

25 Q. These restrictions were put into place in